

CHANGES FROM JULY

The Budget Message on the previous pages was presented on July 16, 2002. Changes were made subsequent to that date that are summarized below and reflected in the remainder of this document.

The City's budget does change from July to the public hearings based upon revised revenue and expenditure projections as well as City Commission policy decisions. The adopted budget as described on pages 7 - 18 was based upon actual receipts and expenditures through the end of July. In compliance with State Statutes, the millage rates initially set in July provide a cap beyond which the final adopted rates cannot exceed without additional notification to each property owner. The most significant changes from July included the following adjustments:

- The General Fund budget total did not change substantially but a few reorganizations occurred which changed the appropriations by department. These included the consolidation of support for neighborhood capital improvements, business capital improvements, and assessment projects in Public Services - Engineering. The community planning function was transferred to Public Services - Construction Services Division.
- The combined debt service millage was reduced from 0.4251 to 0.4213 due to revised projections of current year tax collections.
- The parking enforcement function was transferred from Administrative Services to the Police Department but remains funded within the Parking Fund.
- Funding for community organizations were approved for inclusion in the final General Fund appropriation as outlined under the Other General Government section on page 13.
- Projections were included in the public hearing materials for the Insurance Fund following the receipt of a new actuarial study.

The adopted FY 2002/2003 all funds budget totals \$345.2 million. This represents virtually no increase from the FY 2001/2002 budget. This summary describes the budget by fund type.

GENERAL FUND

Overall, the General Fund revenue projection, including all sources, is an increase of \$14 million or 8% over the adopted FY 2001/2002 budget. The following table summarizes the revenue picture:

Table 1. Revenue Summary

<u>Resources Available</u>	<u>FY 2001/2002 Original Budget</u>	<u>FY 2001/2002 Estimated Actual</u>	<u>FY 2002/2003 Adopted Budget</u>
Ad Valorem Taxes - Operating	\$ 66,880,942	67,135,000	75,686,012
Ad Valorem Taxes - Debt	6,787,604	6,844,462	6,582,932
Franchise Fees	10,715,000	12,081,254	12,870,175
Utility Taxes	33,060,773	33,362,123	34,592,396
Licenses & Permits	8,326,978	8,734,165	8,044,977
Intergovernmental	16,093,330	14,782,914	16,611,958
Charges for Services	15,918,006	14,895,586	15,636,614
Fines & Forfeitures	1,817,500	2,359,751	2,207,100
Miscellaneous:			
Interest	1,636,800	686,870	1,011,900
Leases/Rents	2,262,567	2,212,585	2,159,834
Fire Special Assessment	6,286,889	6,059,249	6,631,265
Other Miscellaneous	16,169,564	17,082,044	16,139,982
Non-Revenues:			
Working Capital Reserve	2,000,000	2,000,000	1,500,000
Prior Year Balance	3,659,855	8,954,647	5,956,773
Other Sources	425,000	3,048,085	466,110
Total Resources Available	\$ 192,040,808	200,238,735	206,098,028

Ad Valorem Taxes – The adopted ad valorem or property tax millage rate for operating purposes is 4.8472 compared to the previous operating millage rate of 4.8762. In addition to the property tax levied for operating purposes, property taxes also include a separate debt levy which is used to pay debt service costs (principal and interest payments) on outstanding General Obligation (G.O.) Bonds. The current outstanding debt issues are 1987 bonds which were refunded in 1992 and again in 1998. Debt service for that issue will be \$3,810,713 in FY 2002/2003 which will require a levy of \$3,948,007 and a millage rate of 0.2388 compared to the previous millage rate of 0.2869. The 1997 bond issue requires a debt service payment in FY 2002/2003 of \$2,873,663, which requires a gross levy of \$2,998,589 and a millage rate of 0.1825 compared to the previous millage rate of 0.2099. The combined millage rate for operating and debt service for Fiscal Year 2002/2003 is 5.2723, which amounts to two percent drop in the rate.

Property taxes from the debt levy are shown as revenue to the General Fund and then transferred to the debt service fund. Accordingly, transfers from the General Fund to the debt service fund are in the amount of \$ 6,639,617, which assumes a 95 percent collection rate as well as receipt of some delinquent taxes from prior years.

By state statute, the operating property tax rate is restricted to no more than 10 mills (\$10 per \$1,000 of taxable value) for municipalities. Adoption of any increase in the total levy beyond new construction or annexation is required to reference the rolled-back rate, which is the rate necessary to generate the same taxes as were received in the prior year. Compared to the rolled-back rate of 4.4622 the adopted operating rate is an 8.6 percent increase. The increase in the total rate is 7.2% over rolled-back. The "Save Our Homes" State Constitutional amendment limits the increase in assessed value to the Consumer Price Index. For this year, the limit is 1.6 percent. Over time the limit essentially shifts the tax burden from residential property to non-residential property.

Table 2. Impact of Property Tax Rates on Average Homeowner

	<u>Levied 2001/2002</u>	<u>Adopted 2002/2003</u>
Assessed Value	\$154,500	\$156,972
Homestead Exemption*	<u>25,000</u>	<u>25,000</u>
Taxable Value	\$129,500	\$131,972
Operating Millage	4.8762	4.8472
Debt Service Millage	<u>0.4968</u>	<u>0.4213</u>
Total Millage	5.3730	5.2685
Total Tax Bill	\$695.80	\$695.29

*In addition to the usual homestead exemption, qualifying seniors may also receive an additional \$25,000 if they are 65 or older as of January 1, 2002 and have a combined household gross adjusted income of no more than \$21,259.

Following is a comparison of current millage rates for Broward County taxing jurisdictions as well as larger Florida cities.

Table 3. Adopted Operating Millage Rates for FY 2002/2003

<u>Jurisdiction</u>	<u>Millage</u>	<u>Percentage</u>
Broward County Schools	8.8825	35.9%
Broward County	7.3650	29.7%
Fort Lauderdale	4.8472	19.6%
North Broward Hospital	2.4803	10.0%
S. Florida Water Mgmt.	0.6970	2.8%
Children Services	0.3316	1.3%
Hillsboro Inlet District	0.1170	0.5%
Florida Inland Navigation	<u>0.0385</u>	<u>0.2%</u>
	24.7591	100.0%

Table 4. Broward County Cities - Population and Adopted Operating Millage Rates

<u>City</u>	<u>Population</u>	<u>Rank</u>	<u>FY 2002/2003</u>	
			<u>Millage</u>	<u>Rank</u>
Pembroke Park	6,299	26	8.5000	1
Hollywood	139,357	2	6.9163	2
Miramar	72,739	9	6.8700	3
Margate	53,909	13	6.8600	4
Hallandale Beach	34,282	16	6.7480	5
Sea Ranch Lakes	1,392	29	6.5000	6
Dania	20,061	21	6.3900	7
Deerfield Beach	64,583	10	6.3819	8
Lazy Lake Village	38	30	6.3312	9
Sunrise	85,779	5	6.2500	10
Cooper City	27,939	20	6.1870	11
Wilton Manors	12,697	23	6.1005	12
Tamarac	55,588	12	5.9999	13
Oakland Park	30,966	19	5.9715	14
Lauderhill	57,585	11	5.8200	15
Lauderdale Lakes	31,705	18	5.7924	16
North Lauderdale	32,264	17	5.6792	17
Davie	75,720	8	5.1086	18
Coconut Creek	43,566	15	5.0959	19
FORT LAUDERDALE	167,000	1	4.8472	20
Lauderdale-by-the Sea	2,563	27	4.7000	21
Pembroke Pines	137,427	3	4.5990	22
Parkland	13,835	22	4.1000	23
Pompano Beach	78,191	7	4.0877	24
Hillsboro Beach	2,163	28	4.0380	25
Plantation	82,934	6	4.0000	26
Coral Springs	117,549	4	3.8715	27
Lighthouse Point	10,767	24	3.7362	28
Southwest Ranches	8,243	25	3.0000	29
Weston	49,286	14	1.5235	30

**Table 5. FY 2002/2003 Operating Millage Rates As Adopted Per \$1,000
Of Taxable Value For Selected Florida Cities**

Jacksonville*	10.1650
Miami	8.8500
Hialeah	7.5280
Miami Beach	7.2990
St. Petersburg	7.1400
Hollywood	6.9163
Tampa	6.5390
Clearwater	5.7530
Orlando	5.6916
Gainesville	4.9416
Fort Lauderdale	4.8472
Pembroke Pines	4.5990
Coral Springs	3.8715
Tallahassee**	3.2000

*Jacksonville, which is consolidated with Duval County, may levy up to \$20 per \$1,000 of value.

**Tallahassee operates its own power company. Revenues from that operation heavily subsidize their general fund.

Franchise Fees - Franchise fees are payments made by Florida Power and Light (FPL) and Peoples Gas for the privilege of constructing upon and operating within property owned by the City. The basis for the fees is provided for in long-term agreements, which do not expire for several years. FPL, which is projected to pay 98 percent of the \$12,870,175 estimated, remits 6 percent of its gross revenue derived from accounts within the City limits, less property tax and minor fees previously paid to the City. The projection for FY 2002/2003 reflects a 20% increase from the current year's budget due mainly to the growth in electrical consumption with new development and the annexation of new areas into the City.

Utility Taxes - The City levies a 10 percent utility tax on electric, gas, and water utility bills for customers within the City. The largest source for this revenue category is the State communications services tax which replaces former City utility and franchise fees on telephone and cable services. The new tax represents 50% of the projected revenue based upon estimates from the Florida Department of Revenue. FPL comprises 40% of the total. Water utility taxes are anticipated to increase due to the adopted water rate increase.

Charges for Services - This revenue is received from users of specific services such as fees for police, building inspection, planning, docks, as well as parks and recreation. The revenue projected for FY 2002/2003 is anticipated to decline slightly due to more accurate estimates of Fire-Rescue transport fees and the decline in revenue from the Birch Parking lot because of anticipated construction. The lot has traditionally generated general fund revenue from charges to non-residents.

License and Permit Fees - License and permit fees include occupational licenses issued to authorize businesses to operate within the City limits, and development permits issued to authorize building and construction within the City limits. Occupational license revenue continues to remain static. Development permits will reflect a different mix than the large projects of recent years. Smaller projects will require at least as much staff review time as larger ones. A 7.5% rate increase has been adopted, the first one since 1997, that is anticipated to minimize the projected decline in construction revenue. The increased permit charges puts the City within the surrounding South Florida market for similar services.

Intergovernmental Revenue - This revenue source is comprised of recurring State and County-shared revenue. The State of Florida shares motor fuel, alcoholic beverage license, and sales tax revenue with local government on the basis of population. Broward County provides gasoline and occupational license revenue. The revenue overall is projected to rebound from the past year's declines in state-shared sales tax revenue, which has been affected by the national and state economic conditions. Revenues attributed to the annexed populations and an improved economy are anticipated to contribute to this recovery.

Fines and Forfeitures - This category includes fines for traffic and other City Code violations. The revenue source has been stable but not growing. This category represents less than one percent of all General Fund resources. There may be improved traffic fines with the reestablishment of a traffic unit in the Police Department. The projected increase for FY 2003 over the FY 2002 original budget is based upon renewed confidence in collecting additional fines including code-related ones.

Miscellaneous Revenue - This revenue source includes interest earnings, rents, the special assessment for fire-rescue, and interfund charges. The investment market has declined sharply and next year's projection is slated to rebound only slightly with almost \$700,000 less in interest earnings than actual revenues two years ago. The fire assessment, which appears as a non-ad valorem charge on the tax bill, has increased from \$40 per household to \$42 per residential unit as planned in the City's adopted five-year assessment plan and will benefit from the annexed properties. Interfund charges will not increase as a whole from the current year's budget estimate.

Non-Revenues - Non-revenues consist of the working capital reserve, prior year balance, and transfers from other funds. The working capital reserve was created in FY 1993/1994 to provide additional protection against economic downturns and is projected to begin FY 2003 with a \$1.5 million balance. The prior year balance represents available funds from the current year to fund next year's budget. The FY 2001/2002 amount of \$8,954,647 differs from the budgeted amount (\$3,659,855) in that the estimate reflects encumbrances incurred in the previous year which were outstanding at September 30, 2001 (\$1,947,469) as well as any additional balance available after the final closing of the books from the previous fiscal year (\$3,347,323).

GENERAL FUND**Table 6. Expenditure Summary By Department**

Resources Allocated	FY 2001/2002 Original Budget	FY 2001/2002 Estimated Actual	FY 2002/2003 Adopted Budget
Administrative Services	\$ 8,285,052	8,938,508	8,670,802
City Attorney	2,116,775	1,912,269	2,330,288
City Clerk	851,172	861,367	1,097,506
City Commission	206,027	201,582	259,942
City Manager	3,232,311	2,931,608	3,367,410
Community & Economic Development	7,299,318	6,806,953	6,277,219
Finance	3,526,403	3,385,716	3,733,937
Fire-Rescue	36,189,110	38,037,256	40,176,777
Parks and Recreation	26,599,338	27,563,571	29,378,339
Police	64,037,767	66,805,546	68,639,477
Public Services	18,572,562	17,952,715	21,511,490
Other General Government	2,360,657	2,710,335	2,425,152
Debt Service	-	37,224	373,650
Contingencies	547,501	-	1,835,000
Transfers Out	16,152,652	14,637,312	14,521,039
Working Capital Reserve	2,064,163	1,500,000	1,500,000
Year End Balance	-	5,956,773	-
Total Resources Allocated	\$ 192,040,808	200,238,735	206,098,028

Program Highlights include:

Administrative Services – Increases in this budget include additional crossing guard services for the new annexed areas (\$112,761) and increases in the capacity of computer networking equipment and servers to accommodate larger documents (maps, photos, and graphics), data retention requirements, and processing of more intensive software applications (\$54,000).

City Attorney's Office – The budget includes full funding for the new in-house City Attorney arrangement as reflected in the approved contract.

City Clerk – The budget provides for the primary and general election of the Mayor and City Commissioners in February and March 2003 including 1.0 new full-time, temporary position (\$168,086).

City Manager's Office – The budget provides for a full year's funding of the new Office of Professional Standards (\$450,000) and the net reduction of one position (Assistant City Manager). The web engineer position has been transferred to Information Technology in Administrative Services offset by the addition of an administrative assistant position in the City Manager's Office.

Community and Economic Development – This department received two new positions (Code Officer and Service Clerk) in Community Inspections for the new annexed areas (\$103,369). The Redevelopment Project Division was eliminated and the Planning Division, along with Neighborhood Capital Improvements, Business Capital Improvements and Assessment Projects were all transferred into Public Services.

Finance – The budget for the General Fund includes the termination pay for the retiring, long-serving department director.

Fire-Rescue – This department has increased by 20 positions including 18 for new annexed areas (\$1,261,469) and 2 for implementation of the grant-funded Domestic Preparedness and Emergency Management function. The budget also includes the acquisition of an electronic reporting system for emergency medical services (\$149,200) offset by \$180,000 in additional transport revenue.

Parks and Recreation – The budget provides for services to the new annexed areas (\$208,000) as well as maintenance of new areas along Riverwalk and parcels acquired through the County land conservation bond program. Part-time salaries were increased to handle the Swimming Hall of Fame parking lot during the day, which was previously managed by the International Swimming Hall of Fame Association.

Police – The budget includes 16 new positions for serving the new annexed areas (\$1,037,947) and 12 new general-funded positions which were previously grant funded.

Public Services – The budget includes a carryover of an encumbered amount for the City's share of the downtown regional activity center study (\$100,000). It also includes \$114,000 for historic preservation contractual work. A total of \$40,000 has been added for additional microfilming/document imaging of property records. Funding for vehicles and tools associated with park bond facility maintenance is also included (\$75,000). Planning, Neighborhood Capital Improvements, Business Capital Improvements and Assessment Projects were all transferred here from Community and Economic Development.

Other General Government – This category includes items that are considered a citywide expenditure such as the general fund portion of retiree health benefits, telecommunications, tuition reimbursements, and disability health benefits. At the Commission's direction, the budget no longer includes \$299,000 for social, cultural, and promotional grants for community-based organizations. The Commission has approved funding for Family Central (\$40,000), Area Agency on Aging (\$39,000), Women In Distress (\$12,000), West Lauderdale Football League (\$10,000), Winterfest (\$10,000), Broward Grandparents (\$9,000), and Kids Voting (\$2,500). Other requests may be considered during the year and would be funded from contingencies.

Contingencies – The purpose of contingencies is to provide funding for unanticipated demands after budget adoption. The base amount is \$900,000. The additional amount would provide for

the cost-of-living increase for non-bargaining unit employees. This amount will be spread to each department once the Commission has approved the increase.

Transfers - A transfer is an interfund transaction. Transfers out of the General Fund include resources for debt service (principal and interest) payments, contributions to the capital improvement program, and grant matching dollars. The major changes in this request are a reduction in the General Fund contribution to the capital improvement program (CIP) and a substantial increase in the advance to the Northwest Progresso Flagler Heights Community Redevelopment Agency (NWPFH CRA). The reduction in the transfer to the general CIP is possible due to an arbitrage rebate (\$471,000), the postponement in the issuance of bonds for the enhanced CIP initiative, and the closing of projects over time that have resulted in project balances accumulating in the fund. A transfer at the normal level of \$4 million will be required in FY 2004. The increased advance to the NWPFH CRA is the scheduled amount in the five-year financing plan in the total amount of \$972,000.

Table 7. General Fund Transfers

		FY 2001/2002	FY 2001/2002	FY 2002/2003
		Original	Estimated	Adopted
TRANSFERS IN		<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Law Enforcement Trust	\$	-	391,473	-
DEA Confiscation		-	96,995	-
General Capital Projects		-	1,000,000	-
Community Redevelopment		425,000	425,000	466,110
Loan Proceeds		-	1,134,617	-
Total Transfers In	\$	425,000	3,048,085	466,110
TRANSFERS OUT				
Capital Improvement Plan	\$	4,100,000	945,220	2,539,621
Community Redevelopment Agency		1,087,377	1,014,304	2,065,114
General Obligation Bond Debt Svc.		6,787,477	6,844,462	6,582,932
Excise Tax Debt Service		2,733,848	2,774,927	2,762,091
Sunshine State Debt Service		1,014,304	1,014,304	177,478
Vehicle Rental Fund		125,277	292,144	125,277
Grant Matching Funds		177,240	295,665	112,240
Central Services Fund		-	29,157	29,157
Parking Services Fund		127,129	127,129	127,129
Insurance Fund		-	1,300,000	-
Total Transfers Out	\$	16,152,652	14,637,312	14,521,039

Year-End Balance/Working Capital - Savings in the current fiscal year (revenues minus expenditures) represent a significant resource for funding future budgetary requirements. The

City has traditionally appropriated all identified resources for service delivery except for working capital reserve which is \$1.5 million for FY 2002/2003.

SANITATION FUND

The Sanitation Fund provides the City with refuse collection, a trash transfer station, lot clearing, bulk trash collections, recycling and street cleaning services. In early FY 1998/1999, an enhanced level of service to customers began in this program with once a week yard waste cart service. This also resulted in the twice-monthly bulk service to be adjusted to once a month. In addition, the size of the refuse containers was reduced to encourage recycling. These service levels continue to work well.

The remediation of the old Wingate Landfill and Incinerator site is being completed and based on the agreements between the City, other Potential Responsible Parties and the Environmental Protection Agency, will be financed with the 6% rate increase approved by the City Commission for this purpose in April 1995.

The FY 2002/2003 budget for Sanitation is \$20,783,776 an increase of \$1,949,381 or 10.5% from the FY 2001/2002 budget. This increase results primarily from an increase in operational costs as well as increased contractual costs due to the annexations in the City offset by increased revenues. No rate increase is recommended.

WATER AND SEWER FUND

The City of Fort Lauderdale supplies water and sewer services on a regional basis for over 300,000 residents of central Broward County. Areas serviced by the City's water treatment and distribution system include Fort Lauderdale, Port Everglades, Sea Ranch Lakes, Lauderdale-by-the-Sea, Oakland Park, Wilton Manors, Davie, Tamarac and portions of unincorporated Broward County.

The total FY 2002/2003 operating budget for the Water and Sewer Fund is \$41,103,464, an increase of \$1,519,878 or 4% above the FY 2001/2002 budget. The Water and Sewer Master Plan Program has begun with the first construction to start in the fall. Additional increases are due to employee payroll increases and general operational costs. A 2.5% rate increase is recommended to cover these costs and the costs of the Master Plan.

The impact of a 2.5% rate increase on a residential customer using 10,000 gallons of water monthly amounts to \$1.30 illustrated as follows:

2.5% Effect on Water and Sewer Rates

<u>5/8 inch meter</u>	<u>Old Rate</u>	<u>New Rate</u>	<u>Increase</u>
Water Fixed Charge	\$ 2.96	\$ 3.03	\$ 0.07
Water Commodity			
0-3,000 gals	0.97	0.99	0.02
4-7,000	1.66	1.70	0.04
> 8,000	2.45	2.51	0.06
Sewer Fixed Charge	3.44	3.53	0.09
Sewer Commodity			
0-3,000 gals	2.24	2.30	0.06
> 4,000	3.11	3.19	0.08

2.5% Effect on Average Customer (10,000 gallons/month)

<u>5/8 inch meter</u>	<u>Old Rate</u>	<u>New Rate</u>	<u>Increase</u>
Water Charge	\$19.86	\$20.33	\$ 0.47
Sewer Charge	31.93	32.76	0.83
Total	\$51.79	\$53.09	\$ 1.30

CENTRAL REGIONAL WASTEWATER SYSTEM FUND

The City of Fort Lauderdale, through Large User Agreements, operates the Central Wastewater Region to provide treatment services for Fort Lauderdale, Oakland Park, Wilton Manors, Port Everglades, and parts of Tamarac. These agreements, necessitated by federal funding requirements, establish the methodology for setting rates to large users. The City Commission establishes a billing rate based upon estimated expenses for the coming fiscal year. At the close of each fiscal year, the fund is audited and the actual rate determined. If necessary, lump sum rebates or charges are made to adjust the amounts paid during the year. In the past, the rate calculated at year-end has been less than the budgeted rate resulting in rebates instead of charges.

The FY 2002/2003 operating budget for the Central Regional Wastewater System is \$8,431,463 an increase of \$294,499 which translates to a 3.5% increase over the FY 2001/2002 budget. A meeting of the Wastewater Large Users Committee was held in August to set recommended rates for FY 2002/2003. A rate of \$0.75 per 1,000 gallons of wastewater treated was voted on approved by both the Large User Committee and the City Commission.

STORMWATER MANAGEMENT SYSTEM FUND

The City's Stormwater Management program is entering its eleventh year of operation. Revenues collected are used for operating expenses and capital improvements directly related to the management of stormwater, including improvements designed to increase water quality in the City's waterways. Stormwater capital funds were used, for example, to fund those improvements in the Executive Airport/Fiveash Wellfield area, which are directly related to water quality. The FY 2002/2003 Stormwater operating budget is \$2,658,344 an increase of \$354,330 or a 14% increase from the FY 2001/2002 budget. This increase results from adjustments to the operating budget. No Stormwater rate increase is recommended.

PARKING SERVICES FUND

The City's parking system provides approximately 9,214 parking spaces located in four parking garages and numerous parking lots as well as on-street parking. The FY 2002/2003 Parking Services operating budget is \$7,068,536 an increase of \$469,015 or 7% from the FY 2001/2002 budget.

Negotiations are continuing for the construction of 1,000 public parking spaces in three garage structures as part of the Palazzo Project located at the existing Las Olas City Intracoastal parking lot. Metered public parking is also being explored in the City's Swimming Hall of Fame parking lot, when not in use by the Parks & Recreation Department for swimming activities, and at the First Baptist Church in downtown Fort Lauderdale.

The new E. Clay Shaw 17th Street Intracoastal under-bridge parking facility was opened in June, 2002 and provides 215 public parking spaces located on the east and west side of the Intracoastal. These lots are operated by solar powered pay and display multi-space meters on both the east and west side parking lots. There will be limited permit parking at this facility. In addition, a new solar powered pay and display multi-space meter was installed at the Cooley's Landing Boat Ramp which provides a total of 23 public parking spaces for customers using this facility without the need for a lot attendant.

In cooperation with our consultant, Parking Services completed the first citywide "Parking Rate Study" in fiscal year 2001/2002, since 1981. Implementation of this study's recommendations has been placed on hold while Parking Services monitors ongoing economic conditions. It is currently expected that Parking will return to the Commission around the middle of fiscal year 2002/2003 for approval to implement the study recommendations.

Recapitalization work has begun at the City Park Garage and the City Park Garage Mall area. This work commenced on September 30, 2002 and is expected to take approximately 12 to 18 months to complete.

AIRPORT FUND

The Executive Airport Division of the Community and Economic Development Department develops, operates and promotes Fort Lauderdale Executive Airport and Industrial Airpark, the Downtown Heliport, and Foreign-Trade Zone #241. The Airport is self-sustaining, with revenue generated by land leases and fuel flowage fees. The Division administers 47 land leases for both aviation-related and Industrial Airpark land on the 1,200 acre property.

The FY 2002/2003 Airport operating budget is \$4,482,892, an increase of \$292,844 or a 7% increase from the FY 2001/2002 budget.

Fort Lauderdale Executive Airport continues to play a key role in the City of Fort Lauderdale's economic development efforts by offering the types of facilities and amenities essential to business travelers. Executive Airport is unique in the Southeast in that it offers a 24-hour FAA Air Traffic Control Tower, an Instrument Landing System, a 6,000-foot runway, Aircraft Rescue and Fire Fighting services, U.S. Customs, 24-hour security and a police substation on the property. This award-winning Airport is home to over 700 aircraft, including 110 jets and 42 helicopters, more than any other airport in the Southeastern United States. Six Fixed Base Operators provide

a full spectrum of services, including fueling, avionics, maintenance, charters, aircraft sales and leasing, and air ambulance. Eighty-four percent of the over 9.8 million gallons of fuel pumped at the Airport in 2001 was jet fuel.

A number of Capital Improvement Projects are under development to enable the Airport to be operated in a safe and efficient manner. The projects include: \$3 million Phase III security enhancements; design of the \$2.8 million Aircraft Rescue and Fire Fighting/ Emergency Operations Center/Fire Station #88 facility; \$2 million rehabilitation of Runway 8/26; construction of a \$650,000 aircraft parking apron at the new administration building and \$200,000 for installation of identification and directional signage around the airport roadways and entrances.

The Airport recently completed construction of an elevated Downtown Helistop, which provides a vital transportation link to the City's Central Business District. The new facility offers one landing and one parking position and a fully furnished lobby. The Downtown Helistop is a convenient option to surface transportation for people traveling from Miami, West Palm Beach, and as far away as Orlando and Tampa.

As a means of continuing to promote economic development opportunities in the area, the entire Airport and six other sites have been designated as Foreign-Trade Zone #241. This designation will help Airport tenants conducting international business to defer, reduce, or even eliminate costly duties or excise taxes, thus making the tenants financially stronger and more competitive.

The Airport's mission is to attract business to the area and help those businesses prosper while being a benefit to the community. As part of that mission, the Airport Division will continue to maintain the airport in a way to provide the facilities necessary for the safe operation of aircraft using the Airport. In addition, the Airport Division will also maintain the new Downtown Helistop facility in a similar manner as well as actively market and promote the use of the facility and the Downtown Fort Lauderdale Business District.

SUNRISE KEY NEIGHBORHOOD IMPROVEMENT DISTRICT

In accordance with State Statute regarding safe neighborhood districts, the following budget is based upon a millage rate of 1.5 mills.

Professional Services	\$ 4,200
Security & Other Services	41,000
Vehicle Expenses	4,200
Repair and Maintenance	2,500
Landscaping/Pest Control	2,400
General/Liability Insurance	4,500
Contingencies	<u>1,200</u>
Total	\$60,000

LOOKING AHEAD

As part of our budget process, departments were asked to look ahead and identify what they should be doing over the next two years and what the future budgetary impact will be. Outlined below are areas they have specified that should be addressed.

Administrative Services

The records management division should be concentrating on the reduction/destruction of boxes of records in the storage system.

Future impact of budget requirements would be a reduction in the annual budget requirements to store and retrieve public records. Records managements' goal is to reduce the number of boxes in storage to half of its present level, to reduce the budgeted dollars to \$22,500 from the current \$45,000.

The Procurement and Materials Management division anticipates bringing forward amendments to our Purchasing Ordinance that will allow for additional savings through the use of e-commerce. We hope to conduct our first "reverse" auction either next FY or the following, with the change in the Ordinance, and anticipate the elimination of our requirement to publish all our formal solicitations in the local newspaper of general circulation. We believe that very small number of vendors actually are made aware of formal solicitations in this method, and do not believe there is a cost effectiveness to this requirement.

City Clerk

We anticipate increased efficiency to our staff as the public begins to use the Web Site to gather documents. We also anticipate increased efficiency that a new digital audio recording system would bring as our current analog audio system is near failure.

City Manager

The Internal Audit Division will over the next two years step up its coverage of audits/reviews of the City's franchise/license collector fees and reviews of various grants and Engineering contracts. Based on the results of the reviews, the City could recover revenues which could effect the City's General and Enterprise Funds. Also due to all the new technology and management's use of computer programs for decision-making, the division should over the next two years secure contract services to perform audits of the City's computer environment.

For the Public Information Division, expansion of electronic government communications and service delivery continues to be the most significant initiative for the coming years. The use of the Internet for City services is emerging, with applications such as online permitting and plan review, and parking services applications including payment of citations and permits. Additional efforts to communicate with employees are required to ensure a viable, productive workforce. The employee newsletter is now published monthly. Content on the Intranet is increasing. Building this and other employee communications programs will require additional funding in the coming years. The current video bulletin board on the City's cable channel provides basic messages. Programming on cable television would reach 50-75% of City residents, and would be an enhancement to our communications program.

Community and Economic Development

The department is under City Manager review for reorganization. Several operations may be realigned. Contingent upon final reorganization, the structure may change. That change will determine the focus of the department over the next two years, as well as any future budgetary impacts.

Finance

There is a need to develop/implement software to streamline and automate the processing of payments (retire health benefit checks), and to take full advantage of technology to eliminate/reduce manual tasks.

Fire-Rescue

The department should seek required medical training from outside sources, i.e., Nova Southeastern University, Broward Community College, Physician Associates. That would have an annual savings of approximately \$27,676 per year. Additional savings would be found in staff time, course development and "Train the Trainer" classes, as well as improvement in the quality of training with the utilization of professional instructors.

As of January 1, 2002, the Florida Fire Prevention Code was implemented for Statewide uniformed enforcement. The immediate impact is the additional provision of retrofitting sprinklers in residential high rise buildings over 75 feet and without direct access to the exterior, or provide the Fire Code Official with an alternative life safety design model to meet as an equivalency. It is anticipated that 60 buildings may be affected in the City. The next two years will see increased activity in these buildings attempting compliance with the retrofit, or implementing alternative design models.

Parks and Recreation

The department continues to have major concerns and needs over the next few years. Among them are additional funding for the GOB projects that will be coming on-line next year, including major development at Carter and Riverland Park. The County bond program will impact the City's budget as funding will be available for Bayview Park. Riverside and Riverland Parks, as well, will receive funding for facility construction. We will be assuming the responsibility of the maintenance at various conservation/green space and open space sites that will be given to us by the County. We have identified an immediate need for the development of a park master plan which will assist us in applying for various grants. We plan to apply for grant funding from untapped sources such as the UPAAR (Urban Park & Recreation Recovery Program) which we may have a possibility of receiving grants up to \$1,000,000. As in the past, we will continue to apply for state and local grants.

Police

Costs will increase due to annexation for Melrose Park and Riverland area. A portion of these costs will be included this year but they will increase in the following years as we hire all needed officers and PSAs. The estimated increased cost in FY 03-04 is \$300,000 - \$500,000.

There is expected to be an increase in traffic ticket revenue due to newly created traffic safety component, an increase in costs for Fleet as we add vehicles to the PAVe program, in FY03/04 an additional \$442,762 for debt payment and vehicle O+M (for additional 6 months), as well as an increase in expenses for anti-terrorism equipment training and staffing. We are looking into grant funding as much as possible for these latter purchases, estimated at \$200,000.

Public Services

Programs to improve productivity savings include the use of more technology to service our customers, and thus reduce dependency on personnel to meet service expectations. Such programs include on line permitting. We are also exploring the concept of a “virtual service clerk” whereby we would provide computers in our “one-stop shop” to enable our customers to log on and fill in all permit information without the need to wait to be assisted by a service clerk. We are also anticipating the move into the new One Stop Shop at Lincoln Park. Overall we expect to see improvements in our operations resulting from the ability to better organize files and provide the necessary space and functionality in design of the various divisions within the Construction Services Bureau.

It has become obvious that General Fund Maintenance activities were the beneficiary of Water & Sewer funds while these two maintenance functions were merged. In the next two years we anticipate identifying funding needs for materials and equipment in excess of 150% of the current levels.

The Engineering Division will be asking for additional support technicians for design professionals toward the goal of having two technicians per professional. This should nearly double our project design capabilities. Likewise, we will be looking to add up to six (6) additional inspector positions because more design projects means a similar increase in construction. These steps will be necessary to meet the demands of the Accelerated Capital Improvement Program in the years to come. We will also be attempting to limit design and construction cost of revenue-less programs such as the NCIP and BCIP by standardizing designs of the most popular facilities (monuments, entryway signs, street furniture, etc.) and by eventually re-establishing a three (3) person “Roving Projects Crew” to construct neighborhood projects. By taking these steps, we believe that it is possible to cut per project costs for NCIP/BCIP by 33%.